

Statement of Jeffrey Groover
Before the United States Senate Special Committee on Aging
March 23, 2004

Good morning Mr. Chairman and distinguished Senators. My name is Jeffrey Groover and I would like to thank you for the opportunity and privilege to speak to the Committee today.

I am 43 years old. I am from West Palm Beach, Florida. I have worked in the computer networking and telecommunications fields for the past 18 years. In 1996 I started a small Internet Service Provider company that we sold in 1999. Then I started a small telecommunications and Internet company. During the following year I found myself in financial difficulties. The Internet bust had left me in a financial crisis. I began to fraudulently obtain credit to keep my business going and to support my former wife and two small children. I was subsequently caught and convicted in Federal Court of Unauthorized Use of an Access Device. I was given a substantial Federal Prison sentence.

I stole the identities of a few individuals including Mr. Nelson Doubleday, a wealthy Florida resident and co-owner of the New York Mets. The techniques are lengthy and technical. However, all that I needed was your name and the approximate area where you lived and in a few hours I could obtain your full name, your address, your date of birth, your social security number, your wife's name, your previous address, and any vehicles or property that you owned. After applying online for a credit card in your name and being approved within a few minutes, I would receive it in a few weeks. I would then run a complete credit report from any one of the online credit reporting agencies and find out who you had credit accounts with. From there I could then tap into your bank account, providing that I had the right circumstances. I did all this through the Internet. Everyone is susceptible to this type of fraud. That is not to scare everyone. That is just to make everyone aware to use the Internet with caution. Especially senior internet users. With just a few small changes it can also be a safer place to do business as well as conduct credit and financial transactions.

I came here to assist my country and in some small way to find redemption for what I've done. I lost my home, my business, my freedom and most of all my wife and children for what I did. The punishment is severe and rest assured that I will not do it again. However, that will not stop other people from continuing to do this type of crime due to the ease in which it can be done. I believe though that I can provide you with some recommendations that will stop a large portion of these crimes. One Recommendation is this:

To require credit reporting agencies to implement a pass key system in order to access an individual's credit report. This will save billions of dollars each year in credit fraud done through the Internet or otherwise.

When an individual applies for credit they must enter their pass key authorizing their credit file to be accessed. If the pass key is incorrect, then their file is locked and further contact with correct individual will be necessary to unlock it. This will stop this type of fraud at the inception.

Furthermore, procedures should be implemented to allow a consumer to lock their credit file at their instruction from anyone attempting to gain access to it. For instance if they go on vacation, away on business, or an extended hospital stay. At the time they need their credit report, they would simply go online and unlock their file. All this could be implemented easily and without major changes to the credit reporting agencies systems.

Although I don't have enough time here now to provide you in great detail on how to prevent these types of crimes, my knowledge and experience is available to you anytime.

I once again apologize to Mr. Doubleday and the other victims and hope they will forgive me. I am happy to be of assistance to you in this matter and will answer any questions you may have as well as make further recommendations. Thank you once again Mr. Chairman and Members of the Committee.